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October 26, 2001

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

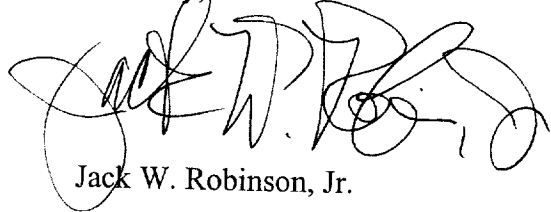
Re: *Petition of AT&T Communications of the South Central States, Inc. for
Approval of Transfer of Certificate of Public Convenience and Necessity*
Docket No: 01-00937

Dear Mr. Waddell:

Please find enclosed for filing the original and thirteen copies of the Petition of AT&T Communications of the South Central States, Inc. for Approval of Transfer of Certificate of Public Convenience and Necessity.

Also enclosed is a check in the amount of \$25.00 for the filing fee.

Sincerely,



Jack W. Robinson, Jr.

JWRjr/ghc
Enclosures

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

PETITION OF AT&T COMMUNICATIONS)
OF THE SOUTH CENTRAL STATES, INC. FOR)
APPROVAL OF TRANSFER OF CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) DOCKET NO. _____

**PETITION
FOR APPROVAL OF TRANSFER OF
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

1. AT&T Communications of the South Central States, Inc. ("AT&T"), a Delaware corporation, by its undersigned counsel and pursuant to TCA § 65-4-113, hereby notifies the Tennessee Regulatory Authority (TRA) of its planned reorganization and requests the TRA's approval for the transfer of its Certificate of Public Convenience and Necessity (CPCN) to AT&T Communications of the South Central States, LLC ("AT&T-LLC"), a soon-to-be-formed entity. Under the reorganization, AT&T-LLC will automatically succeed to all of the operations, assets and liabilities of AT&T as a matter of Delaware law. The reorganization will not disrupt service or adversely affect the customers of AT&T in Tennessee. There will be no change to the technical, financial or managerial resources that are in place and available to serve customers in Tennessee. In addition, there will be no change in the names, address or telephone numbers of the contact personnel regarding the provision of telecommunications services in Tennessee.

I. Petitioner

2. AT&T is a corporation organized and existing under the laws of the State of Delaware and is authorized by the TRA to provide local and intrastate long distance

telecommunications services in Tennessee. AT&T's principal place of business for its Tennessee operations is 1200 Peachtree Street N.E., Suite 8100, Atlanta, Georgia 30309.

3. In granting AT&T's CPCN, the Tennessee Public Service Commission (TPSC) concluded that AT&T had the requisite financial, technical and operational experience and assets to provide safe, adequate and proper telecommunications services in Tennessee. Information concerning the legal, technical, managerial, and financial qualifications of AT&T and AT&T Corp., its parent company, was provided with its application for certification. That information, which the TPSC considered in determining that AT&T possessed the legal, technical and financial qualifications to offer telecommunications services to the public in Tennessee, is therefore already a matter of public record at the TRA. AT&T requests that this information be incorporated by reference herein.

II. The Reorganization

4. AT&T is reorganizing its corporate structure by converting its operations to a limited liability company, AT&T-LLC. As a result of filing the conversion documents with the Delaware Secretary of State, AT&T will cease to exist in its present form, but will continue to operate as a limited liability company.¹ Because the conversion is complete upon the filing of the appropriate documents, AT&T cannot make such a filing until it obtains the regulatory approvals from all five state commissions in its service area. It is for that reason that AT&T seeks approval of the TRA to transfer the CPCN prior to the formation of AT&T-LLC. Upon

¹ "... [T]he converting other entity [AT&T] shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of such other entity and shall constitute a continuation of the existence of the converting other entity in the form of a domestic limited liability company. When an 'other entity' has been converted to a limited liability company pursuant to this section, the limited liability company shall, for all purposes of the laws of the State of Delaware, be deemed to be the same entity as the converting 'other entity.'" Delaware Code Title 6 §18-214(g).

completion of the conversion, AT&T-LLC will file to qualify to do business with the Tennessee Secretary of State. Also, upon the completion of the conversion (after the approval by the TRA), AT&T-LLC will submit or file a letter with the TRA formally indicating that AT&T-LLC adopts and incorporates all of AT&T's existing tariffs in their entirety, as the tariffs of AT&T-LLC.

5. The reorganization will result in cost savings, including tax savings, to AT&T-LLC, resulting from a more limited income tax liability. Through these savings, the reorganization will serve the public interest by allowing AT&T-LLC to remain competitive in the current telecommunications environment. It will also allow AT&T-LLC to more efficiently provide its services in Tennessee, to the benefit of all consumers of telecommunications services.

6. AT&T plans to pursue regulatory approval for similar restructurings across the nation, including all nine states in its Southern Region.

III. Public Interest Considerations

7. The proposed reorganization will result in a change in the corporate structure of AT&T, but will not change the ultimate upstream ownership by AT&T Corp. AT&T-LLC will be led by the same team of well-qualified telecommunications managers, including existing AT&T Corp. personnel currently utilized by AT&T. As a result, the services currently being provided by AT&T pursuant to its existing tariffs, service arrangements and TRA authorizations will continue to be offered by AT&T-LLC. Unless and until superseding tariffs are filed, AT&T-LLC will continue operating pursuant to AT&T's existing tariffs.

8. The reorganization will not have a negative financial impact on AT&T-LLC. In fact, the reorganization of AT&T is intended to create operating efficiencies and flexibility. A limited liability company structure provides such flexibility.

9. Pursuant to TRA orders, AT&T has provided interexchange and local exchange telecommunications services in Tennessee. AT&T is subject to numerous TRA orders and is actively participating in many proceedings before the TRA. AT&T-LLC plans to continue its participation in these active matters as well as any other issues in which it has an interest as they are brought before the TRA.

10. Now is a critical time in the development of competition in the market for local exchange services in Tennessee. AT&T has been an active participant in the marketplace and in proceedings before the TRA. The efficiencies AT&T gains as a result of the conversion will allow it to remain competitive in the rapidly changing competitive environment and will allow AT&T-LLC to continue AT&T's demonstrated commitment to bringing high-quality competitive telecommunications services to Tennessee.

IV. Conclusion

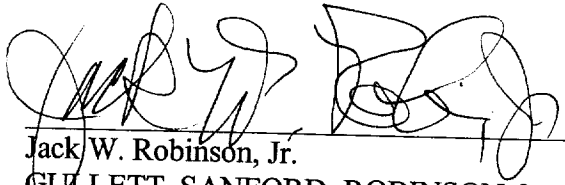
11. AT&T respectfully requests that the TRA act on this Petition within 30 days of the date of this Petition.

12. AT&T respectfully requests that the TRA order that upon the completion of AT&T's conversion to a limited liability company:

- (1) AT&T's CPCN be transferred to AT&T-LLC;
- (2) The requirements and authorizations of all TRA and TPSC orders to which AT&T is currently subject will henceforth be binding on and apply to AT&T-LLC;
- (3) AT&T-LLC may operate pursuant to AT&T tariffs filed with the TRA unless and until superseding tariffs are filed; and

(4) AT&T-LLC may appear in all TRA proceedings in place of and with all rights and obligations currently held by AT&T.

Respectfully submitted this 26th day of October 2001.



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